

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 02359 012301Z

72

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 GSA-02 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03

H-03 INT-08 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 DODE-00 PA-03 USIA-15

PRS-01 DRC-01 /173 W

----- 115938

R 012226Z OCT 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 1841

UNCLAS OTTAWA 2359

E.O. 11652: N/A

TAGS: EIND, ETRD, CA

SUBJECT: CANADA'S CY 1974 FERROUS SCRAP REQUIREMENTS

REF: A. STATE 183681

B. STATE 193345

C. OTTAWA 1613

D. OTTAWA 2271

1. BLACK AND L'ESPERANCE OF INDUSTRY, TRADE AND COMMERCE
(ITC) GAVE US THE FOLLOWING FIGURES AND INFORMATION
RESPONSIVE TO PARA 1, REF A:

A. ESTIMATED CY 1974 STEEL PRODUCTION FORECAST FOR
CANADA, BY QUARTERS, IN SHORT TONS, AS FOLLOWS:

FIRST - 3,115,480

SECOND - 3,279,380

THIRD - 3,444,910

FOURTH - 3,433,450

TOTAL FOR YEAR 13,273,200 SHORT TONS. ITC OFFICIALS
SAID THESE WERE ROCK-BOTTOM FIGURES BUILT UP FROM THEIR
CANVASS OF STEEL COMPANIES' PURCHASING PEOPLE, WHO TEND
TOWARD CONSERVATIVE SIDE. BLACK'S ESTIMATE OF CANADIAN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 02359 012301Z

STEEL PRODUCTION CY 1974 IS BETWEEN 14.5 AND 15.3 MILLION

TONS. HE SHOWED US ALSO AN ESTIMATE OF SECURITIES ANALYST FIRM OF 15.6 MILLION TONS (AND 14.6 MILLION FOR CY 1973).

B. ESTIMATED CY 1974 FERROUS SCRAP IMPORT REQUIREMENTS IN SHORT TONS (TOTAL IMPORTS PRACTICALLY EQUATE WITH IMPORTS FROM U.S.), AS FOLLOWS:

FOR STEEL PRODUCTION -

FIRST - 350,725

SECOND - 373,625

THIRD - 370,325

FOURTH - 367,525

TOTAL FOR YEAR 1,462,200 SHORT TONS. ESTIMATED TOTAL SCRAP REQUIREMENT FOR FOUNDRIES IS BETWEEN 100,000 AND 150,000 TONS. FOR BREAKDOWN BY ITC

OFFICIALS SUGGESTED WE SIMPLY DIVIDE BY 4. THEY STATED IT WAS DIFFICULT TO COMPILE ESTIMATE FOR FOUNDRY USE BECAUSE OF LARGE NUMBER OF FOUNDRIES, THEIR SMALL SIZE AND FACT THAT MANY OF THEM DO NOT KNOW ORIGIN OF SCRAP.

C. WITH RESPECT TO INDICATING PROBABLE SCRAP BUYING PATTERN, ITC OFFICIALS SAID THEIR CANVASS OF STEEL MILLS DISCLOSED MONTH-TO-MONTH BUYING HABITS AND EVEN WEEK-TO-WEEK, AND SUGGESTED WE SIMPLY DIVIDE TOTALS GIVEN ABOVE BY 12 TO ESTABLISH MONTHLY PATTERN.

D. PARA 4, REF D IS LATEST INFORMATION ON DETAILS OF CANADIAN EXPORT CONTROL REGULATIONS FOR FERROUS SCRAP. SEE ALSO REF C.

2. FIGURES GIVEN IN A AND B ABOVE ARE ALSO BROEKN DOWN BY FIVE CANADIAN REGIONS, AND WE ARE AIR POUCHING THIS ADDITIONAL DATA TO WILSON SWEENEY, OFFICE OF EXPORT CONTROL, DEPARTMENT OF COMMERCE.

3. BLACK AND L'ESPERANCE REITERATED THEIR CONCERN (PARA 3, REF D) OVER 25 PERCENT DISCREPANCY BETWEEN CY 1972 RECORDED CANADIAN IMPORTS OF FERROUS SCRAP FROM U.S. OF 1.225 MILLION TONS AND RECORDED U.S. EXPORTS TO UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OTTAWA 02359 012301Z

CANADA OF 905,000 TONS. THEY POINTED OUT THAT OF APPROXIMATELY 450,000 TONS OF CANADIAN EXPORTS RECORDED IN 1972, 300,000 WENT TO THE U.S. THEY ARE ANXIOUS LEST THIS WELL ESTABLISHED, ECONOMIC BORDER TRADE BE DISRUPTED, AND POINTED OUT THAT 60,000-TON MONTHLY COMMERCE ALLOCATION FOR LAST THREE MONTHS OF CY 1973 (REF B) WOULD LEAVE THEM SHORT THIS YEAR BY JUST THAT AMOUNT, I.E., 300,000 TONS.

SCHMIDT

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OTTAWA02359
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731059/aaaabrj.tel
Line Count: 116
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A. STATE 183681
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 22 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22-Aug-2001 by phillir0>; APPROVED <31-Dec-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CANADA'S CY 1974 FERROUS SCRAP REQUIREMENTS
TAGS: EIND, ETRD, CA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005